

Forthcoming in **The Financial Times**, Thursday

Washington's Inevitable Tilt towards New Delhi

By

Jagdish Bhagwati

Jagdish Bhagwati has written extensively on India since the 1960s. His book, India (Oxford, 1970), co-authored with Padma Desai, set the agenda that India's reformers are currently following. He is a member of the Asia Society-Council on Foreign Relations group of distinguished Americans on US policy towards South Asia.

The old South Asia policy wonks, who both fed and feasted on the notion, inherited from the Cold War, that Washington should either tilt towards Islamabad or not tilt at all, have been anxious to build a dam to prevent the American waters flowing tumultuously towards India.

Thus, Richard Haas of Brookings Institution, arguing on the side of the President's controversial visit to Pakistan, has remarked that "Any trip to South Asia should not exclude a country that was an American ally for much of the Cold War". The now-scheduled visit to Pakistan is also meant, as Stephen Fidler reported (March 17, Financial Times) to underline that "there is no deliberate tilt away from Pakistan".

And yet, that tilt is manifest in the very fact that the President will spend four and a half days in India and four and a half hours in Pakistan. Indeed, these analysts forget that the old doctrine of "parity" between these two quite different nations of South Asia has totally collapsed.

For years, Indians have been irritable with Washington which insisted on parity while India said: we are democratic whereas Pakistan has had three dictatorships; we are wedded to secularism and work hard to reinforce it whereas Pakistan is theological and is turning to Islamism; we are almost seven times the size of Pakistan in numbers; and on and on. Washington simply would not listen, driving Indians up the wall.

The irony is that this paralleled exactly what Indians did to the Americans during the years of non-alignment. The Americans kept insisting that there was no parity between

themselves and the Soviets, that the US was an empire by example and by invitation whereas the Soviets were an evil empire. The Indians would not listen, driving the Americans into rage. But then the Soviet Union collapsed; India saw the light. And similarly, the contrast between Pakistan's abysmal failure and India's growing success has now become evident: and only a moron cannot but see this reality. The American tilt towards India is only logical. It is also reinforced by other relentless forces.

Of course, the Soviet Union is no longer a source of discord between the two countries. Equally, the old elite, trained in Oxbridge, was somewhat contemptuous of the Americans; the new elite, trained in MIT and Stanford, admires them instead. The BJP leadership has also shown a quiet confidence and diplomatic skills: Prime Minister Vajpayee handled the post-nuclear-tests US sanctions without rancour and with courteous firmness where earlier Prime Ministers (surely Mrs. Indira Gandhi) would almost certainly have expressed indignation.

Then again, India had herself created economic parity with Pakistan, killing her huge advantage in size by denying the benefits of globalization with autarkic policies on trade and foreign investment. In 1991, when Finance Minister Manmohan Singh earnestly began reforms, the equity inflow was roughly \$100 million! Now, it is turning into a larger inflow: and the US alone has invested over \$2 billion in the 1990s, constituting almost 25% of the total inflows. India's trade is also steadily, if slowly, being liberalized. The latest budget reduced tariffs another 5%; and import restrictions on consumer goods, thanks to a WTO decision courtesy of a US complaint, are being lifted finally. India's huge market, only a prize to be eyed with frustration, is increasingly within reach. It is also a growing market as the reforms have also rescued India from its self-afflicted wound of low growth rates of income: these have been

almost twice as much in the last 15 years as the 3.5% annual growth rates on average for a quarter of a century.

All this creates the Indian honey that attracts American flies, even as Pakistan's collapsing economy, starting from a much smaller size in more robust days, has fallen off the radar screen of foreign businessmen. India is beginning to catch up with China, attracting the US foreign-policy interest that follows trade and investment interests, even as Pakistan is falling behind. And since political stability is important for investors, the fourth military takeover in Pakistan by General Musharraf and the military adventure that began in Kargil and the terrorist misadventure of the skyjacking that ended in Kandahar, contrast unfavourably with the current evidence of stability in India's democratic polity.

Capping all this is the final reality of Indians in America. The Indians are the "next Jews" of America. Roughly 1.2 million, they have risen in every walk of life: science, arts, humanities, literature, journalism, universities, business, the professions, indeed everywhere. Not a day passes without some Indian achievement making it to the media. Unlike the Hispanics whose numbers bring their political clout, the Indians' influence comes through their interactions with the policymaking elite in a society that values merit above all else. But also, as Indian fortunes accumulate, especially in Silicon Valley, and these moneys increasingly lead to political activity and campaign donations, the Indian clout also acquires the financial edge that reinforces the merit-based advantage.

There is no Pakistani counterpart to all this in the US. It is hard to think of even a handful of Pakistanis among the stars, leave alone the superstars, in the US. This is almost incomprehensible until you see that Pakistan has destroyed its educational advantage, similar to

India's at Independence, by progressive surrender to two crippling cancers: a succession of military dictatorships that have ruled Pakistan over half its life, and Islamic fundamentalism. This need not have been so; but it has happened because few of Pakistan's elite and intellectuals have done anything but cozy up to these forces. It is a sad commentary that the present military junta has provoked little dissent: the heroic refusal of some judges to sign the loyalty oath and the protests of Ms. Jehangir, the great human rights activist, are an all too rare exception.

The parity between Indian and Pakistan has then self-destructed. It was never plausible; but now it is more so than ever. No nostalgia about a "former ally", nor an embittered recollection of the past divide between India and the US, can undermine that reality. America foreign policy, already changed dramatically in India's favour, can only turn more so.